

## 2017 Regular Session

HOUSE BILL NO. 618

BY REPRESENTATIVE GAROFALO

**COASTAL RESOURCES:** Authorizes the Coastal Protection and Restoration Financing Corporation to finance payments from the RESTORE Act and Natural Resources Damages Act

# 1 AN ACT

2 To amend and reenact R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(1), 99.38(A), (B), and  
3 (C), and 99.42 and to enact R.S. 39:99.27(19) through (27) and 99.41 and 99.42,  
4 relative to the Louisiana Coastal Protection and Restoration Financing Corporation;  
5 to authorize the financing, purchasing, owning, and managing payments from the  
6 Deepwater Horizon natural resource damage act and the Resources and Ecosystems  
7 Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast  
8 States Act; to provide for terms and conditions associated with the financing,  
9 purchasing, owning, and managing; to direct the Louisiana Law Institute to  
10 redesignate section numbers; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12           Section 1. R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(1), 99.38(A), (B), and (C),  
13       and 99.42 are hereby amended and reenacted and R.S. 39:99.27(19) through (27) and 99.41  
14       and 99.42 are hereby enacted to read as follows:

15 §99.27. Definitions

16 As used in this Subpart:

17                             (1) "Agreement" means the agreement or agreements, as authorized under  
18                             this Subpart, between the state of Louisiana, as the seller, and the corporation, as the  
19                             purchaser, of the ~~offshore royalty~~ revenue assets. The sale by the state of the

1       ~~offshore royalty~~ revenue assets pursuant to any such agreement shall be a true sale  
2       and absolute transfer and not a borrowing, nor a pledge or other security interest for  
3       any borrowing.

4                          \*                  \*                  \*

5                          (4) "Bonds" means ~~Offshore Royalty Revenue~~ bonds and refunding bonds,  
6       notes and other evidences of indebtedness issued by the corporation pursuant to this  
7       Subpart.

8                          (5) "Closing date" means the date of delivery of the first issue of ~~Offshore~~  
9       ~~Royalty Revenue~~ bonds.

10                          \*                  \*                  \*

11                          (10) "Income" means the ~~Offshore Royalty Revenue~~ payments and all fees,  
12       charges, payments, and other income and receipts paid or payable to the corporation  
13       or a trustee or other party for the account of the corporation or the holders.

14                          \*                  \*                  \*

15                          (18) "State allocation" means all monies to be received by the state of  
16       Louisiana as a result of the Gulf of Mexico Energy Security Act of 2006, the  
17       Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived  
18       Economies of the Gulf Coast States Act as provided in the consent decree, or the  
19       Deepwater Horizon (DWH) natural resource damages as provided in the consent  
20       decree including all of the state of Louisiana's allocable share as determined  
21       thereunder, without giving effect to any sale of any portion thereof.

22                          (19) "Consent decree" means the settlement agreement and related documents  
23       between the state of Louisiana and other gulf coast states, the United States, and BP  
24       Exploration & Production Inc. ("BPXP") including the Consent Decree Among  
25       Defendant BPXP, the United States of America, and the States of Alabama, Florida,  
26       Louisiana, Mississippi, and Texas and Final Judgment approving the consent decree  
27       entered in the case "In re: Oil Spill by the Oil Rig 'Deepwater Horizon' in the Gulf  
28       of Mexico, on April 20, 2010," bearing MDL No. 2179 of the docket of the United  
29       States District Court for the Eastern District of Louisiana.

1                   (20) "DWH NRD assets" means all rights, title and interest in and to the  
2 portion of the state allocation of DWH natural resource damages as set forth in the  
3 consent decree that may be sold to the corporation from time to time.

4                   (21) "DWH NRD bonds" means the bonds, notes, and other obligations  
5 issued by the corporation, exclusive of bonds that the corporation may issue to  
6 refund bonds, the net proceeds, after financing costs, of the first issue of which shall  
7 be used by the corporation to pay a portion of the purchase price to the state of  
8 Louisiana to purchase the DWH NRD assets.

9                   (22) "DWH NRD payments" means the monies paid or payable for natural  
10 resource damages pursuant to the consent decree, to the corporation and the  
11 agreement as in effect from time to time.

12                  (23) "DWH NRD revenue" means all monies constituting the state of  
13 Louisiana's allocable share of natural resource damages pursuant to the consent  
14 decree.

15                  (24) "RESTORE Act" means the Resources and Ecosystems Sustainability,  
16 Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012.

17                  (25) "RESTORE assets" means all rights, title, and interest in and to the  
18 portion of the state allocation of civil penalties related to the Deepwater Horizon oil  
19 spill as set forth in the RESTORE Act and the consent decree.

20                  (26) "RESTORE bonds" means the bonds, notes, and other obligations issued  
21 by the corporation, exclusive of bonds that the corporation may issue to refund  
22 bonds, the net proceeds, after financing costs, of the first issue of which shall be used  
23 by the corporation to pay a portion of the purchase price to the state of Louisiana to  
24 purchase the RESTORE assets.

25                  (27) "RESTORE payments" means the monies paid or payable for civil  
26 penalties pursuant to the RESTORE Act and the consent decree, to the corporation,  
27 and the agreement as in effect from time to time.

1                   (28) "RESTORE revenue" means all monies constituting the state of  
2                   Louisiana's allocable share of civil penalties related to the Deepwater Horizon oil  
3                   spill as set forth in the RESTORES Act and the consent decree.

4                   \*           \*           \*

5                   §99.30. Purposes and powers

6                   A. The corporation's purposes are, and it shall have the authority and powers,  
7                   to carry out the financing, purchasing, owning and managing of the Offshore Royalty  
8                   Revenues and the Offshore Royalty Revenue Assets, the DWH NRD revenues and  
9                   the DWH NRD assets, and the RESTORE revenues and the RESTORE assets, the  
10                  corporation being vested, subject to R.S. 39:99.34 and the other provisions hereof,  
11                  with all the powers of a private corporation to effectuate the purposes of the  
12                  corporation including, without limitation, the power to sue and be sued, to make  
13                  contracts, to adopt and use a corporate seal and to alter same, and is further  
14                  particularly authorized and empowered to:

15                   (1) Purchase the Offshore Royalty Revenue Assets, the DWH NRD assets,  
16                   and the RESTORE assets, and receive, or authorize the indenture trustee to receive,  
17                   as the same shall become due, the Offshore Royalty Revenue, the DWH NRD  
18                   revenues and the DWH NRD, and the RESTORE payments.

19                   \*           \*           \*

20                   §99.38. Issuance of offshore royalty revenue bonds of the corporation

21                   A. In order to provide current assets and funds for the Coastal Protection and  
22                  Restoration Fund pursuant to this Subpart for the benefit of the state, the board is  
23                  hereby authorized and empowered to provide by resolution, at one time or from time  
24                  to time, for the issuance of offshore royalty revenue bonds of the corporation in such  
25                  amount or amounts as the board shall determine, subject to the approval of the State  
26                  Bond Commission and the Joint Legislative Committee on the Budget. Such bonds  
27                  shall be payable solely from funds of the corporation, including, without limitation,  
28                  all or any combination of the following sources: (i) Offshore Royalty Revenue  
29                  assets, (ii) the proceeds of the sales of any such bonds, (iii) earnings on funds of the

1 corporation or the indenture trustee, (iv) income, and (v) such other funds as may  
2 become available, as shall be provided by the resolution of the board authorizing any  
3 such bonds. ~~Bonds~~ Offshore royalty revenue bonds issued under the provisions of  
4 this Subpart shall not be deemed to nor constitute a debt or obligation of the state of  
5 Louisiana or a pledge of the full faith or credit of the state, and all bonds shall  
6 contain on the face thereof a statement to the effect that neither the full faith and  
7 credit nor the taxing power nor any other asset or revenues of the state or any  
8 political subdivision thereof is or shall be obligated or pledged to the payment of the  
9 principal of or the interest on such bonds.

10               B. The offshore royalty revenue bonds of each issue shall be dated, shall  
11 bear interest, which may be includable or excludable in the gross income of the  
12 holder for federal income tax purposes, at such fixed or variable rates, payable at or  
13 prior to maturity, and shall mature at such time or times, as may be determined by  
14 the board and may be redeemable before maturity, at the option of the corporation,  
15 at such price or prices and under such terms and conditions as may be fixed by the  
16 board, subject to approval of the State Bond Commission and the Joint Legislative  
17 Committee on the Budget. The board shall determine the form of the bonds,  
18 including any interest coupons to be attached thereon, and the manner of execution  
19 of the bonds and shall fix the denomination or denominations of the bonds and the  
20 place or places of payment of principal and interest thereof, which may be at any  
21 bank or trust company within or without the state. The bonds may be issued in  
22 coupon or in registered form or both, as the board may determine, and provisions  
23 may be made for the registration of any coupon bonds as to principal alone and as  
24 to both principal and interest and for the reconversion of any bonds registered as to  
25 both principal and interest into coupon bonds. The board may sell such bonds in  
26 such manner, either at public or at private sale, and for such price as it may  
27 determine to be in the best interests of the corporation, subject to approval of the  
28 State Bond Commission and the Joint Legislative Committee on the Budget. The  
29 proceeds of such bonds shall be disbursed for the purposes for which such bonds

1        were issued under such restrictions, if any, as the laws of the state of Louisiana and  
2        the resolution authorizing the issuance of such bond or the trust indenture may  
3        provide. The corporation may also provide for temporary bonds and for the  
4        replacement of any bond that shall become mutilated or shall be destroyed or lost.  
5        Such bonds may be issued without any other proceedings or the happening of any  
6        other conditions or things than the proceedings, conditions and things that are  
7        specified and required by this Subpart.

8              C. Bonds Offshore royalty revenue bonds of the corporation shall not be  
9        invalid because of any irregularity or defect in the proceedings or in the issuance and  
10        sale thereof and shall be incontestable in the hands of a bona fide purchaser or  
11        holder. The corporation, after authorizing the issuance of bonds by resolution, shall  
12        publish once in a newspaper of general circulation in the parish in which the  
13        corporation is domiciled, a notice of intention to issue the bonds. The notice shall  
14        include a description of the bonds and the security therefor. Within thirty days after  
15        the publication, any person in interest may contest the legality of the resolution, any  
16        provisions of the bonds to be issued pursuant to it, the provisions securing the bonds,  
17        and the validity of all other provisions and proceedings relating to the authorization  
18        and issuance of the bonds. If no action or proceeding is instituted within the thirty  
19        days, no person may contest the validity of the bonds, the provisions of the resolution  
20        pursuant to which the bonds were issued, the security of the bonds, or the validity of  
21        any other provisions or proceedings relating to their authorization and issuance, and  
22        the bonds shall be presumed conclusively to be legal. Thereafter no court shall have  
23        authority to inquire into such matters.

24                          \*                  \*

25        §99.41. DWH NRD revenue

26              A. Sale of DWH NRD assets

27              (1) The State Bond Commission, subject to approval of the Joint Legislative  
28        Committee on the Budget and subject to approval by a majority vote of the  
29        legislature if the legislature is in session and by mail ballot if during the interim, is

1       authorized to sell and convey to the corporation, from time to time, a portion of the  
2       state allocation, up to one hundred percent thereof from and after such date, and, in  
3       particular, to execute and deliver an agreement on the closing date. The agreement  
4       shall provide, among other matters, that the purchase price payable by the  
5       corporation to the state for the DWH NRD assets sold, up to one hundred percent of  
6       the state allocation from and after such date, shall consist of the net proceeds, after  
7       financing costs, of the first issue of DWH NRD bonds and the residual interests to  
8       be paid and transferred semiannually pursuant to the provisions of this Subpart.

9               (2) Any sale of DWH NRD assets hereunder shall be treated as a true sale  
10       and absolute conveyance and transfer of the property, and all of the right, title and  
11       interest in and to such property, so conveyed and transferred, and not as a pledge or  
12       any other security interest or lien for borrowing. The characterization of such a sale  
13       as an absolute transfer by the parties and herein shall not be negated or adversely  
14       affected if less than all of the state allocation is conveyed and transferred, nor by the  
15       state's acquisition of residual interests or a subordinate interest in the DWH NRD  
16       assets, nor by any characterization of the corporation or its bonds for purposes of  
17       accounting, taxation or securities regulation, nor by any other factor whatsoever.

18               B. Ownership of DWH NRD assets and DWH NRD payments

19       On and after the effective date of each sale of DWH NRD assets, the state of  
20       Louisiana shall have no right, title or interest in or to the DWH NRD assets sold and  
21       conveyed; and the DWH NRD payments shall be property of the corporation and not  
22       of the state, and shall be owned, received, held and disbursed by the corporation or  
23       the indenture trustee and not the state or the state treasury. On or before the closing  
24       date and the effective date of any subsequent sale, the state, through the attorney  
25       general, shall notify the necessary parties as provided for in the consent decree that  
26       the DWH NRD assets have been sold and conveyed to the corporation, irrevocably  
27       instruct such necessary parties as provided for in the consent decree that, subsequent  
28       to the closing date or other effective date, the DWH NRD payments are to be paid  
29       directly to the corporation or to the indenture trustee or other designee for the

1       account of the corporation, and take such other actions necessary and appropriate to  
2       effectuate such notice and instruction.

3           C. Issuance of DWH NRD bonds of the corporation

4           (1)(a) In order to provide current assets and funds for the Coastal Protection  
5       and Restoration Fund pursuant to this Subpart for the benefit of the state, the board  
6       is hereby authorized and empowered to provide by resolution, at one time or from  
7       time to time, for the issuance of DWH NRD bonds of the corporation in such amount  
8       or amounts as the board shall determine, subject to the approval of the State Bond  
9       Commission and the Joint Legislative Committee on the Budget.

10          (b) Such bonds shall be payable solely from funds of the corporation,  
11       including, without limitation, all or any combination of the following sources:

12           (i) DWH NRD assets.  
13           (ii) The proceeds of the sales of any such bonds.  
14           (iii) Earnings on funds of the corporation or the indenture trustee.  
15           (iv) Income.  
16           (v) Such other funds as may become available, as shall be provided by the  
17       resolution of the board authorizing any such bonds.

18          (c) DWH NRD bonds issued under the provisions of this Subpart shall not  
19       be deemed to nor constitute a debt or obligation of the state of Louisiana or a pledge  
20       of the full faith or credit of the state, and all bonds shall contain on the face thereof  
21       a statement to the effect that neither the full faith and credit nor the taxing power nor  
22       any other asset or revenues of the state or any political subdivision thereof is or shall  
23       be obligated or pledged to the payment of the principal of or the interest on such  
24       bonds.

25           (2) The DWH NRD bonds of each issue shall be dated, shall bear interest,  
26       which may be includable or excludable in the gross income of the holder for federal  
27       income tax purposes, at such fixed or variable rates, payable at or prior to maturity,  
28       and shall mature at such time or times, as may be determined by the board and may  
29       be redeemable before maturity, at the option of the corporation, at such price or

1       prices and under such terms and conditions as may be fixed by the board, subject to  
2       approval of the State Bond Commission and the Joint Legislative Committee on the  
3       Budget. The board shall determine the form of the bonds, including any interest  
4       coupons to be attached thereon, and the manner of execution of the bonds and shall  
5       fix the denomination or denominations of the bonds and the place or places of  
6       payment of principal and interest thereof, which may be at any bank or trust  
7       company within or without the state. The bonds may be issued in coupon or in  
8       registered form, or both, as the board may determine, and provisions may be made  
9       for the registration of any coupon bonds as to principal alone and as to both principal  
10      and interest and for the reconversion of any bonds registered as to both principal and  
11      interest into coupon bonds. The board may sell such bonds in such manner, either at  
12      public or at private sale, and for such price as it may determine to be in the best  
13      interests of the corporation, subject to approval of the State Bond Commission and  
14      the Joint Legislative Committee on the Budget. The proceeds of such bonds shall be  
15      disbursed for the purposes for which such bonds were issued under such restrictions,  
16      if any, as the laws of the state of Louisiana, any applicable federal laws, and the  
17      resolution authorizing the issuance of such bond or the trust indenture may provide.  
18      The corporation may also provide for temporary bonds and for the replacement of  
19      any bond that shall become mutilated or shall be destroyed or lost. Such bonds may  
20      be issued without any other proceedings or the happening of any other conditions or  
21      things than the proceedings, conditions, and things that are specified and required by  
22      this Subpart.

23      (3) DWH NRD bonds of the corporation shall not be invalid because of any  
24      irregularity or defect in the proceedings or in the issuance and sale thereof and shall  
25      be incontestable in the hands of a bona fide purchaser or holder. The corporation,  
26      after authorizing the issuance of bonds by resolution, shall publish once in a  
27      newspaper of general circulation in the parish in which the corporation is domiciled,  
28      a notice of intention to issue the bonds. The notice shall include a description of the  
29      bonds and the security therefor. Within thirty days after the publication, any person

1       in interest may contest the legality of the resolution, any provisions of the bonds to  
2       be issued pursuant to it, the provisions securing the bonds, and the validity of all  
3       other provisions and proceedings relating to the authorization and issuance of the  
4       bonds. If no action or proceeding is instituted within the thirty days, no person may  
5       contest the validity of the bonds, the provisions of the resolution pursuant to which  
6       the bonds were issued, the security of the bonds, or the validity of any other  
7       provisions or proceedings relating to their authorization and issuance, and the bonds  
8       shall be presumed conclusively to be legal. Thereafter no court shall have authority  
9       to inquire into such matters.

10      (4) Neither the members of the board, its staff, nor any other person or  
11      persons executing the bonds shall be subject to any personal liability or  
12      responsibility by reason of the issuance thereof, and shall have the indemnification  
13      rights provided in R.S. 13:5108.1 with respect to such issuance.

14      D. Pledge and agreement

15      The state covenants and agrees with the corporation, and the holders of the  
16      bonds in which the corporation has included such pledge and agreement, that the  
17      state will do the following:

18      (1) Irrevocably direct the necessary parties as provided for in the consent  
19      decree to transfer all conveyed DWH NRD payments directly to the corporation or  
20      its assignee.

21      (2) Enforce the corporation's rights to receive the DWH NRD payments to  
22      the full extent permitted by the law.

23      (3) Not amend the state law in any manner that would materially impair the  
24      rights of the holders.

25      (4) Not limit or alter the rights of the corporation to fulfill the terms of its  
26      agreements with such holders.

27      (5) Not in any way impair the rights and remedies of such holders or the  
28      security for such bonds until such bonds, together with the interest thereon and all

1       costs and expenses in connection with any action or proceeding by or on behalf of  
2       such holders, are fully paid and discharged.

3       §99.42. RESTORE revenue

4       A. Sale of RESTORE assets

5           (1) The State Bond Commission, subject to approval of the Joint Legislative  
6       Committee on the Budget and subject to approval by a majority vote of the  
7       legislature if the legislature is in session and by mail ballot during the interim, is  
8       authorized to sell and convey to the corporation, from time to time, a portion of the  
9       state allocation, up to one hundred percent thereof from and after such date, and, in  
10      particular, to execute and deliver an agreement on the closing date. The agreement  
11      shall provide, among other matters, that the purchase price payable by the  
12      corporation to the state for the RESTORE assets sold, up to one hundred percent of  
13      the state allocation from and after such date, shall consist of the net proceeds, after  
14      financing costs, of the first issue of RESTORE bonds and the residual interests to be  
15      paid and transferred semiannually pursuant to the provisions of this Subpart.

16           (2) Any sale of RESTORE assets hereunder shall be treated as a true sale and  
17      absolute conveyance and transfer of the property, and all of the right, title and  
18      interest in and to such property, so conveyed and transferred, and not as a pledge or  
19      any other security interest or lien for borrowing. The characterization of such a sale  
20      as an absolute transfer by the parties and herein shall not be negated or adversely  
21      affected if less than all of the state allocation is conveyed and transferred, nor by the  
22      state's acquisition of residual interests or a subordinate interest in the RESTORE  
23      assets, nor by any characterization of the corporation or its bonds for purposes of  
24      accounting, taxation or securities regulation, nor by any other factor whatsoever.

25       B. Ownership of RESTORE assets and RESTORE payments

26           On and after the effective date of each sale of RESTORE assets, the state of  
27      Louisiana shall have no right, title or interest in or to the RESTORE assets sold and  
28      conveyed; and the RESTORE payments shall be property of the corporation and not  
29      of the state, and shall be owned, received, held and disbursed by the corporation or

1           the indenture trustee and not the state or the state treasury. On or before the closing  
2           date and the effective date of any subsequent sale, the state, through the attorney  
3           general, shall notify the necessary parties as provided for in the consent decree that  
4           the RESTORE assets have been sold and conveyed to the corporation, irrevocably  
5           instruct such necessary parties as provided for in the consent decree that, subsequent  
6           to the closing date or other effective date, the RESTORE payments are to be paid  
7           directly to the corporation or to the indenture trustee or other designee for the  
8           account of the corporation, and take such other actions necessary and appropriate to  
9           effectuate such notice and instruction.

10           C. Issuance of RESTORE bonds of the corporation

11           (1)(a) In order to provide current assets and funds for the Coastal Protection  
12           and Restoration Fund pursuant to this Subpart for the benefit of the state, the board  
13           is hereby authorized and empowered to provide by resolution, at one time or from  
14           time to time, for the issuance of RESTORE bonds of the corporation in such amount  
15           or amounts as the board shall determine, subject to the approval of the State Bond  
16           Commission and the Joint Legislative Committee on the Budget. Such bonds shall  
17           be payable solely from funds of the corporation, including, without limitation, all or  
18           any combination of the following sources:

19           (i) RESTORE assets.  
20           (ii) Proceeds of the sales of any such bonds.  
21           (iii) Earnings on funds of the corporation or the indenture trustee.  
22           (iv) Income.  
23           (v) Such other funds as may become available, as shall be provided by the  
24           resolution of the board authorizing any such bonds.

25           (b) Bonds issued under the provisions of this Subpart shall not be deemed  
26           to nor constitute a debt or obligation of the state of Louisiana or a pledge of the full  
27           faith or credit of the state, and all bonds shall contain on the face thereof a statement  
28           to the effect that neither the full faith and credit nor the taxing power nor any other

1       asset or revenues of the state or any political subdivision thereof is or shall be  
2       obligated or pledged to the payment of the principal of or the interest on such bonds.

3       (2) The RESTORE bonds of each issue shall be dated, shall bear interest,  
4       which may be includable or excludable in the gross income of the holder for federal  
5       income tax purposes, at such fixed or variable rates, payable at or prior to maturity,  
6       and shall mature at such time or times, as may be determined by the board and may  
7       be redeemable before maturity, at the option of the corporation, at such price or  
8       prices and under such terms and conditions as may be fixed by the board, subject to  
9       approval of the State Bond Commission and the Joint Legislative Committee on the  
10      Budget. The board shall determine the form of the bonds, including any interest  
11      coupons to be attached thereon, and the manner of execution of the bonds and shall  
12      fix the denomination or denominations of the bonds and the place or places of  
13      payment of principal and interest thereof, which may be at any bank or trust  
14      company within or without the state. The bonds may be issued in coupon or in  
15      registered form or both, as the board may determine, and provisions may be made  
16      for the registration of any coupon bonds as to principal alone and as to both principal  
17      and interest and for the reconversion of any bonds registered as to both principal and  
18      interest into coupon bonds. The board may sell such bonds in such manner, either at  
19      public or at private sale, and for such price as it may determine to be in the best  
20      interests of the corporation, subject to approval of the State Bond Commission and  
21      the Joint Legislative Committee on the Budget. The proceeds of such bonds shall be  
22      disbursed for the purposes for which such bonds were issued under such restrictions,  
23      if any, as the laws of the state of Louisiana, any applicable federal laws, and the  
24      resolution authorizing the issuance of such bond or the trust indenture may provide.  
25      The corporation may also provide for temporary bonds and for the replacement of  
26      any bond that shall become mutilated or shall be destroyed or lost. Such bonds may  
27      be issued without any other proceedings or the happening of any other conditions or  
28      things than the proceedings, conditions and things that are specified and required by  
29      this Subpart.

1               (3) RESTORE bonds of the corporation shall not be invalid because of any  
2               irregularity or defect in the proceedings or in the issuance and sale thereof and shall  
3               be incontestable in the hands of a bona fide purchaser or holder. The corporation,  
4               after authorizing the issuance of bonds by resolution, shall publish once in a  
5               newspaper of general circulation in the parish in which the corporation is domiciled,  
6               a notice of intention to issue the bonds. The notice shall include a description of the  
7               bonds and the security therefor. Within thirty days after the publication, any person  
8               in interest may contest the legality of the resolution, any provisions of the bonds to  
9               be issued pursuant to it, the provisions securing the bonds, and the validity of all  
10               other provisions and proceedings relating to the authorization and issuance of the  
11               bonds. If no action or proceeding is instituted within the thirty days, no person may  
12               contest the validity of the bonds, the provisions of the resolution pursuant to which  
13               the bonds were issued, the security of the bonds, or the validity of any other  
14               provisions or proceedings relating to their authorization and issuance, and the bonds  
15               shall be presumed conclusively to be legal. Thereafter no court shall have authority  
16               to inquire into such matters.

17               (4) Neither the members of the board, its staff, nor any other person or  
18               persons executing the bonds shall be subject to any personal liability or  
19               responsibility by reason of the issuance thereof, and shall have the indemnification  
20               rights provided in R.S. 13:5108.1 with respect to such issuance.

21               D. Pledge and agreement

22               The state covenants and agrees with the corporation, and the holders of the  
23               bonds in which the corporation has included such pledge and agreement, that the  
24               state will do the following:

25               (1) Irrevocably direct the necessary parties as provided for in the RESTORE  
26               Act and the consent decree to transfer all conveyed RESTORE payments directly to  
27               the corporation or its assignee.

28               (2) Enforce the corporation's rights to receive the RESTORE payments to the  
29               full extent permitted by the law.

1                   (3) Not amend the state law in any manner that would materially impair the  
2                   rights of the holders.

3                   (4) Not limit or alter the rights of the corporation to fulfill the terms of its  
4                   agreements with such holders.

5                   (5) Not in any way impair the rights and remedies of such holders or the  
6                   security for such bonds until such bonds, together with the interest thereon and all  
7                   costs and expenses in connection with any action or proceeding by or on behalf of  
8                   such holders, are fully paid and discharged.

9                   \*           \*           \*

10                  §99.42. §99.44. Bond and other proceeds received by the state  
11                  All proceeds and monies received by the state, whether received as purchase  
12                  price for Offshore Royalty Revenue assets sold or as the residual interests or in any  
13                  other way pursuant to this Subpart, shall be deposited in and credited to the Coastal  
14                  Protection and Restoration Fund.

15                  Section 2. The Louisiana State Law Institute is hereby authorized and directed to  
16                  redesignate R.S. 39:99.41 as R.S. 39:99.43 and R.S. 39:43 and 99.44 as R.S. 39:99.45 and  
17                  99.46.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 618 Original

2017 Regular Session

Garofalo

**Abstract:** Authorizes the Coastal Protection and Restoration Financing Corporation to issue bonds with revenues from the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE) and the Deepwater Horizon natural damages (NRDA).

Present law generally authorizes the Coastal Protection and Restoration Financing Corporation to carry out financing, purchasing, owning, and managing Offshore Royalty Revenues and Offshore Royalty Revenue Assets received under the Gulf of Mexico Energy Security Act (GOMESA).

Proposed law would allow the same for assets and revenues received under the Deepwater Horizon natural resources damage (NRDA) consent decree and the Resources Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast State Act (RESTORE).

For assets and revenues from NRDA and RESTORE, proposed law authorizes the State Bond Commission, subject to approval from the Joint Legislative Committee on the Budget and a majority of each house of the legislature, to sell to the Coastal Protection and Restoration Financing Corp. allocation received by the state from those two settlements. Authorizes the corporation to use the assets received from the sale to support the sale of bonds, either RESTORE bonds or DWH NRD bonds.

Proposed law authorizes the corporation to issue revenue bonds backed by the RESTORE assets or the DWH NRD assets. Provides for the procedures that are to be followed for each, including approval by the State Bond Commission and the Joint Legislative Committee on the Budget. Requires that the proceeds of the sale of the bonds be used for the purposes for which the bonds were issued. Specifies that the bonds are bonds of the corporation and are in no way backed by the full faith and credit of the state.

Proposed law requires that all proceeds and monies received by the state, whether through purchase of assets, as residual interests, or any other way be deposited to the Coastal Protection and Restoration Fund.

(Amends R.S. 39:99.27(1), (4), (5), (10), (18), 99.30(A)(1), 99.38(A), (B), and (C), and 99.42; Adds R.S. 39:99.27(19) through (27) and 99.41 and 99.42)